

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY

Regular Meeting – April 5, 2011
7:00 P.M.
CITY COUNCIL CHAMBERS

Mayor Pendergrass opened the meeting at 7:01 p.m.

The invocation was led by Reverend Carl Kelleher.

The Pledge of Allegiance was led by Police Chief Michael Klein.

Present: Council Member Blackwelder
Vice Mayor Carbone
Council Member Hubler
Council Member Kruper
Mayor Pendergrass

Staff: Steve Matarazzo, City Administrator/Community Development Director
Jim Heisinger, City Attorney
Richard Simonitch, City Engineer
Michael Klein, Police Chief
Linda Scholink, Director of Administrative Services/City Clerk

AGENDA ITEM 4, COMMUNICATIONS

- A. The City Administrator announced that there was one conflict tonight regarding item 9C with Council Member Blackwelder residing within the 500 foot rule. Distributed this evening under written communications was a hand out showing the proposed "No Parking" signs, (Agenda item 9D).
- B. Oral
 - 7:03 p.m. Floor Opened for Public Comment.
There were no comments.
 - 7:03 p.m. Floor Closed to Public Comment.

AGENDA ITEM 5, CONSENT CALENDAR

- A. There was no discussion of Sand City Council Meeting Minutes, March 15, 2011.
- B. There was no discussion of Fort Ord Reuse Authority (FORA) Report, March, 2011.
- C. There was no discussion of the City Donation/Contribution to the 44th Annual Monterey Scottish Games & Celtic Festival for \$500.

Motion to approve the Consent Calendar was made by Council Member Kruper, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled from the consent calendar.

AGENDA ITEM 7, PRESENTATION

- A. Dennis Osmer, Executive Director of Central Coast Energy Services, made a presentation on Central Coast Energy Services (CCES), which is a non profit organization that promotes energy conservation through home improvement, weatherization services, utility pavement assistance, consumer education and advocacy and job training to people in need.

They offer free home weatherization services, providing up to \$6,500 worth of health, safety and energy efficiency improvements available to renter's or owner occupied dwellings. In 2009 CCES was awarded close to \$4 million in stimulus funds over a 2-year time period to weatherize low-income homes; stimulus funds must be spent before March 2012. The Home Energy Assistance Program (HEAP) provides applicants with payment assistance of up to \$309 on home energy bills, a single time per calendar year. California Alternate Rates for Energy (CARE) is a discount rate program offered with PG&E that gives eligible low-income households a 20% discount on their energy bill. They look forward to providing their free programs to low-income households in Sand City.

AGENDA ITEM 8, OLD BUSINESS

City Engineer Richard Simonitch reported that Caltrans has approved the Coastal Bike Trail Interconnect, and they will be issuing an encroachment permit soon. He has received the desalination production figures from Cal-Am and they are a little short of the 25 acre feet projected, but the plant continues to operate well.

City Administrator Steve Matarazzo stated that the first quarter of the desalination plant produced the equivalent of 294 acre feet/year and the plant has been running well and is reliable according to Darby Fuerst of the Water District. The CPUC did approve the Cal-Am moratorium, and Steve complimented the City Attorney on his ability to get the City of Sand City exempt from the moratorium. He stated that the opening of Chipotle and Sports Authority is coming soon; this should boost the sales tax receipts and also benefit the surrounding stores.

Mayor Pendergrass added that both stores have been hiring and look like they are

moving forward to opening soon.

AGENDA ITEM 9, NEW BUSINESS

- A. The City Administrator reported to the City Council that the budget subcommittee had approved the attached amendment to this year's budget at a meeting held on March 28, 2011. Various budget adjustments have occurred or are anticipated. The budget deficit is proposed to increase by approximately \$10,000. The adjusted budget still reflects the basic assumptions of the budget adopted in June, 2010. Property tax revenues are coming in less than expected and sales tax revenues continue to lag but at a slower pace.

The major difference in the adopted budget and the proposed amendment is seen in the way some of the revenues are recorded. In the adopted budget, when the City paid the Redevelopment Agency back on the debt it owed, those monies were reflected in the income. The proposed amendment has these funds deducted from actual revenues. In addition the \$2.2 million housing set aside funds that were transferred from the Redevelopment Agency to the City account, in hopes of protecting them from a possible State raid, was not in the adopted budget.

The special revenues show an increase of \$290,000 over the adopted budget; a result of retention funds from the Proposition 50 grant (desalination plant) and the Proposition 40 grant (State Parks, Bay Street) that was expected in the previous fiscal year, but was actually received and recognized in this fiscal year.

The budget goal for the next several years will be to increase revenues and decrease expenditures so that a healthy reserve can be maintained on with the structural deficit eliminated.

We will have some additional savings when one of our officers retires at the end of April; and that position is not filled. We were able to hire an officer last fiscal year with a grant. That officer will be able to step in and keep the Police Department fully staffed.

Next year's budget projections will show increased sales tax from Chipotle, Sports Authority, and possibly the Costco gas station. We will present a 5 year projection to the Council with next year's budget presentation; which will also include some "other future development scenarios". Our revenues should grow in the future, due in part to our ability to redevelop thanks to our desalination plant.

The Mayor added that we have reserves and good reserves. Staff and the Budget Committee have been conservative. Staff has spent many hours preparing this

budget. We are lucky to have such dedicated and efficient staff and committee members. He stated how proud he is of the City, and his appreciation of staff and the Budget Committee for their hard work.

7:27 PM The floor was opened to Public Comment.

No Comments were made.

7:27 PM The floor was closed to Public Comment.

- 1) Motion to approve Sand City RESOLUTION Adopting Amendment #1 to the Combined City and Redevelopment Agency Budget for FY 2010-2011 was made by Council Member Kruper, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.
- 2) Motion to approve Redevelopment Agency RESOLUTION Adopting Amendment #1 to the Combined City and Redevelopment Agency Budget for FY 2010-2011 was made by Agency Board Member Blackwelder, seconded by Agency Board Member Kruper. AYES: Agency Board Members Blackwelder, Carbone, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

- B. City Administrator Steve Matarazzo reviewed the proposed new U.S. Fish & Wildlife Service (USFWS) Revised Critical Habitat for the Western Snowy Plover (WSP) throughout the West Coast. The new proposed maps show the beach areas of Sand City are included in that revised designation. The City has until May 23rd to comment on the proposed "new rule".

In 2005, the City applied for, and received, an "economic exclusion" from the prior designation of habitat, but will need to reapply for that inclusion should the new designation go into effect.

The City Attorney noted on the second page of the "News Release" it states, "Designation of critical habitat does not affect land ownership, establish a refuge or preserve and has no impact on private landowners taking actions on their land that do not require federal funding or permits", which is simply not true. The Council gave direction to staff to agendize this topic for the next Council meeting with a formal proposal for action.

{Council Member Blackwelder stepped down from the dais due to a possible conflict of interest by residing within 500' of the subject property}

- C. Richard Simonitch, City Engineer, requested authorization from the City Council to advertise and receive public bids for the Sand City Public Works Corporation

Yard Project. The project consists of expanding the remaining parcel behind the Treatment facility by constructing a keystone-type retaining wall. The existing trailer will be relocated to a new location and re-connected with sewer, water, and electrical/phone facilities. The storage shed will be relocated, and a chain link fence with access gates will be installed. The Engineer's estimate for the work is \$82,900, which includes 15% for change orders. It includes the retaining wall to be ten feet high at its highest point. The City Engineer's office will coordinate the construction with the contractor, public works staff and the police department. He anticipates awarding the contract by April 30, 2011 and the project is expected to be completed by June 17, 2011.

The Mayor added that once the retaining walls are done, we should look at landscaping that will prevent sand migration. The City Engineer responded that he would look at a combination of native plants and something that would help prevent the winds from moving the sand (like hydro mulching). The Mayor suggested staff look into a CDBG grant for funds to help with the City Hall parking lot after the corporation yard has been moved. The Chief said once the corporation yard is moved out, the whole area will be cleaned up, protection will be installed around the pump, and the fencing will come down. There was Council consensus to move forward with the bidding process.

{Council Member Blackwelder returned to the dais}

- D. The Mayor began the discussion on the new parking regulations and the need to educate the public. The selection of the proposed citywide signs for the New Parking Regulations will be important in making it very visible to the public as they enter the City. At the last Council meeting, the Council approved the second reading and adoption of the parking regulations. As required by State law, entry signs or other notification to the public is necessary as a condition of code enforcement. In addition to the signs, a notification letter from the City Administrator was delivered to all businesses and residents with a copy of the ordinance.

There was a lot of discussion on the placement, layout, size, color, and language of the signs. The Council requested the Chief come back to the next City Council meeting, with the assistance of the Associate Planner, in making sample signs for the Council's review, including some form of map showing where the signs would be implemented.

- E. The City Clerk requested RSVP's to upcoming events.

AGENDA ITEM 10, CLOSED SESSION

8:11 PM

A. The City Council /Agency Board adjourned to Closed Session:

- 1) To confer with Legal Counsel regarding pending litigation in accordance with Section 54956.9(c) of the Ralph M. Brown Act,
 - a) CalAm v. Seaside
 - b) State Water Resources Control Board Order WR 2009-0060
 - c) Monterey Peninsula Water Management v. State Water Resources Control Board (No. M102101)
 - d) CalAm v. State Water Resources Control Board
 - e) Security National Guaranty, Inc. v. California Coastal Commission
 - f) Sierra Club v. MPWMD

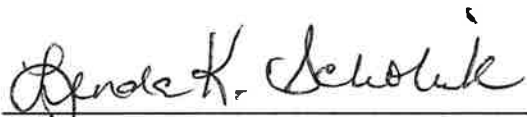
8:27 PM

B. The City Council/Agency Board Readjoined to Open Session to report any action taken at the conclusion of Closed Session in accordance with 54957.1 of the Ralph M. Brown Act.

The City Attorney reported/updated the City Council on Item 10A -1b, and no action was taken.

AGENDA ITEM 11, ADJOURNMENT

Motion to adjourn the meeting was made by Council Member Blackwelder, seconded by Council Member Hubler, to the next regularly scheduled City Council meeting on April 19, 2011 at 7:00 p.m. There was unanimous consensus of the Council to adjourn the meeting at 8:28 p.m.



Linda K. Scholink, City Clerk